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Workers Urged to Check Eligibly for EITC; IRS and Partners Mark 5th EITC Awareness Day

Videos: Earned Income Tax Credit: English

Podcast: Earned Income Tax Credit

IR-2011-12, Jan. 28, 2011

WASHINGTON — The Internal Revenue Service and partners nationwide mark the 5th Earned Income Tax Credit Awareness Day on Friday, Jan. 28. This initiative highlights the availability of one of the federal government's largest benefit programs for working families and individuals.

The American Recovery and Reinvestment Act of 2009 created a new category of families with three or more children and increased the maximum benefit of EITC for tax years 2009 and 2010. The Tax Relief and Job Creation Act of 2010 extended these changes through 2012.

The maximum credit for 2010 tax returns is \$5,666 for workers with three or more qualifying children. However, workers without qualifying children may also be eligible for a smaller credit amount.

"Millions of workers who did not earn high incomes claimed the EITC last year," said Doug Shulman, IRS commissioner. "The IRS encourages all eligible taxpayers to claim this valuable credit. Together with our partners, we can help taxpayers file their returns and get the EITC."

Workers who earned \$48,362 or less from wages, self-employment or farm income last year could receive larger refunds if they qualify for the EITC. Four out of five eligible taxpayers claimed the EITC last year obtaining an extra \$2,200 from the credit on average. This represents a critical financial boost to over 26 million workers who earn low to moderate incomes.

Eligibility for the EITC is determined based on a number of factors including earnings, filing status and eligible children. Many people who experienced a change in these factors will qualify for the first time this year and may not be aware of the credit.

Taxpayers must file a tax return, even if they do not have a filing requirement, and specifically claim the credit. Those who typically fail to claim the EITC include rural workers and their families; non-traditional families, such as grandparents or foster parents raising children; taxpayers without qualifying children; individuals with limited English proficiency; Native Americans; and taxpayers with disabilities.

You earned it. Now file, claim it and get it

It is easy to verify eligibility for EITC by going to www.IRS.gov and typing "EITC" into the search box. There is an online EITC Assistant, which can help taxpayers determine eligibility by answering a few simple questions.

There are several ways to file a tax return to claim the EITC for free:

- <u>Free File on IRS.gov</u> This free tax software and free electronic filing program will walk taxpayers through a question and answer format and help them claim the tax credits and deductions for which they are eligible.
- <u>Free tax preparation sites</u> EITC-eligible taxpayers can seek free tax preparation nationwide at more than 12,000 volunteer individual tax assistance sites. To locate a site, taxpayers may check a <u>nationwide free tax preparation</u> <u>site list</u> available at http://www.IRS.gov. They can also call the community's 211 or 311 number for local services or call the IRS at 800-906-9887.
- IRS Taxpayer Assistance Centers EITC-eligible taxpayers can seek free assistance in 400 IRS locations across the country. Locations are online at www.IRS.gov.

On Saturday, Jan. 29, and Saturday, Feb. 5, the <u>IRS will open selected offices</u> to provide special assistance to EITC eligible taxpayers. In addition, a number of community partners will also open their doors. Locations nationwide are listed on <u>www.IRS.gov</u>.

More information and the details of eligibility rules are available at www.irs.gov/eitc.